

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

IN RE VANDA PHARMACEUTICALS
INC. DERIVATIVE LITIGATION

Case No. 1:19-cv-04293-FB-LB

Hon. Frederic Block

**ORDER PRELIMINARILY APPROVING PROPOSED SETTLEMENT, DIRECTING
THE ISSUANCE OF NOTICE,
AND SETTING A FINAL SETTLEMENT HEARING**

WHEREAS, the Parties have made an application for an order approving the settlement (the “Settlement”) of the above-captioned lawsuit (the “Action”), in accordance with the Stipulation of Settlement (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed Settlement and dismissal of the Action, upon the terms and conditions set forth therein; and

WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth in the Stipulation (in addition to those capitalized terms defined herein); and

WHEREAS, the Court having read and considered the Stipulation and the exhibits annexed thereto:

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Court does hereby preliminarily approve the Stipulation and the Settlement, subject to further consideration at the Settlement Hearing described below, including the terms and conditions for settlement and dismissal with prejudice of the Action.

2. A hearing (the “Settlement Hearing”) shall be held before this Court on September 15, 2021 at 11 a.m./p.m. at the United States District Court for the Eastern District of New York, in Courtroom 10C S, 225 Cadman Plaza E, Brooklyn, NY 11201, to determine whether the Settlement of the Action on the terms and conditions provided for in the

Stipulation is fair, reasonable and adequate to Vanda and its shareholders and should be approved by the Court; and whether an Order and Final Judgment as provided for in the Stipulation should be entered herein.

3. The Court approves the form, substance, and requirements of the Notice to Shareholders (the “Notice”), and finds that the publication of the Notice substantially in the manner set forth in paragraph 4 and 5 of this Order meets the requirements of due process under the United States Constitution, Rule 23.1 of the Federal Rules of Civil Procedure, and any other applicable laws, and constitutes the best notice practicable under the circumstances, and shall constitute due and sufficient notice of the Final Settlement Hearing and other matters referred to in the Notice to all persons entitled thereto.

4. No later than thirty (30) days following the entry of this Order, Plaintiffs’ Counsel shall issue a press release, which shall be published on a wire service.

5. Plaintiffs’ Counsel shall also cause the Notice and Stipulation to be posted on Plaintiffs’ Counsels’ website.

6. At or before the Final Settlement Hearing, Plaintiffs’ Counsel shall file with the Court proof of issuance of the press release and proof of internet posting of the Notice. .

7. Any person who was a Vanda shareholder of record as of July 19, 2021 and who remains a Vanda shareholder may appear in person or by attorney at the Settlement Hearing and show cause, if any, why the Stipulation of Settlement should not be approved; why a judgment dismissing the Action with prejudice as against Vanda and the Individual Defendants should not be entered and the claims of the Releasing Parties against the Released Parties should not be barred permanently; and/or why the application by Plaintiffs’ Counsel for the proposed Fee and Expense Award and for Incentive Fees should not be approved. Before the Court will

consider an objection, however, such objection must be filed in writing by no later than August 16, 2021, and must include the objector's name, address, telephone number and signature; must include all supporting bases and reasons for the objection, including the identification of all witnesses, documents or other evidence that are to be presented at the Fairness Hearing in connection with the objection and a summary of the substance of the testimony to be given by any such witnesses; and must be accompanied by documentary proof of continuous ownership of Vanda stock from July 19, 2021 forward. Any shareholder who files a written objection and appears at the Final Settlement Hearing, either in person or through counsel, must also be prepared to show ownership through the date of the Settlement Hearing. Any written objection must be filed with the Court and served upon the following at least twenty (20) days before the Settlement Hearing:

Joseph E. Levi
Gregory Mark Nespole
Daniel Tepper
Levi & Korsinsky, LLP
55 Broadway, 10th Floor
New York, NY 10006

W. Scott Holleman
Lawrence P. Eigel
Garam Choe
Bragar Eigel & Squire, P.C.
810 Seventh Avenue, Suite 620
New York, NY 10019

Daniel J. Kramer
Audra J. Soloway
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10024-6064

8. Any papers in support of final approval of the Stipulation shall be filed with the Court and served at least seven (7) days before the Settlement Hearing. Service of papers on counsel must be by First-Class mail, hand delivery, or overnight courier service.

9. If a Vanda shareholder fails to object to the Settlement, the shareholder will have waived any and all objections and shall forever be barred from making any objection to or otherwise challenging the Settlement, the final judgment dismissing the Action, or any other proceedings in the Action, including an appeal.

10. Neither the Stipulation nor any document referred to therein nor any action taken to carry out the Stipulation is, may be construed as or may be used as an admission by or against the Released Parties, or any of them, of any fault, wrongdoing or liability whatsoever.

11. The Court reserves the right to adjourn the date of the Settlement Hearing or modify any other dates set forth herein without further notice to the current Vanda shareholders, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the current Vanda shareholders.

Dated: July 20, 2021

/S/ Frederic Block

HONORABLE FREDERIC BLOCK
UNITED STATES DISTRICT JUDGE